[Mr. S. Narayana Aiyar.]

seriously delaying our reconstruction programmes, the total expenditure on the capital side amounted only to Rs 57·62 lakhs, as against the revised forecast of Rs 72·80 lakhs.

REVISED ESTIMATES—1121.

4. I shall now pass on to the current year. When framing the budget estimates for 1121, we anticipated a revenue realisation of Rs 623·65 lakhs and provided for a programme of expenditure charged to revenue, of Rs 574·33 lakhs, inclusive of the expenditure of Rs 74·62 lakhs on Post-War Reconstruction schemes, thus expecting a net revenue surplus of Rs 49·32 lakhs. But on the basis of the figures booked so far and in the light of the actual experience of the previous months of the year, the revenue is estimated to go up to Rs 710·22 lakhs, which, as the House is perhaps not unaware, is second only to the revenues of Mysore and Hyderabad among the Indian States and far above the revenues of any other State. Our revised programme of expenditure charged to revenue, as at the close of the year, is to cover a range of Rs 574·88 lakhs, with the result that the year is expected to close with a revenue surplus of Rs 135·84 lakhs, as against the budget forecast of Rs 49·32 lakhs. As the variations between the budget and the revised estimates, both on the revenue and the expenditure sides, are, as usual, explained in the budget memorandum, copies of which are placed on the table along with copies of the budget estimates for 1122, I shall not tax the patience of the House by reiterating every little item of such variations and shall only make a passing reference to the more salient features of such changes. The anticipated increase in revenue is most conspicuous under Customs, Excise, Forest, Taxes on Income, Interest, Police, and State Transport. The betterment of revenue under Customs if mostly under Land Customs, supplemented by an increase under Excise duty on matches, including contribution from the Government of India. An increase of Rs 6½ lakhs over the estimated receipts from the Cochin Harbour also accounts for the improvement in revenue under customs. The lion's share of the enhanced receipts under Excise is taken up by Abkari. The large demand for our forest produce, especially timber, and the high prices which they continue to command in the present market, account for the appreciation of revenue under forests. The substantial increase under Taxes on Income is the natural reflection of the plethora of money in the land. The larger investments of our surpluses in gilt-edged securities and in commercial and other undertakings of the kind have contributed to the larger receipts under interest. The operation of the Vehicles Tax

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Act explains the increased revenue under Police. This increase, the House will, however, note is off-set by a corresponding fall in revenue from the levy of tolls by the Public Works Department. The only two heads of account under which the revised estimates show a marked fall, of compared with the original estimates, are Railways and Currency and Mint. Under Railways, the shrinkage of revenue is due more to an increase in working expenses than to an actual fall in collections and is also due to the adjustment against the current year's receipts of the interest on the capital outlay by the South Indian Railway on the additional rolling stock for the Travancore Branch. The budget anticipations under Currency and Mint could not be reached on account of the inevitable delay in arranging for the minting of silver coins, as the supply of silver required for the purpose was under correspondence with the Government of India.

5. On the expenditure side, a saving of Rs 22·67 lakhs is expected under expenditure on Post-war Reconstruction Schemes which has however been set off by an excess expenditure of Rs 22·72 lakhs on service expenditure with the result that the revised estimate is only slightly in excess of the original estimate. Protective Irrigation comes in for Rs 3 lakhs of this increase in expenditure as a result of larger expenditure on irrigation works. The increase in Government savings bank deposits has necessitated a corresponding increase in the expenditure on payment of interest and this accounts for another Rs 3 lakhs of the anticipated increase of expenditure. The rest of the excess is more or less evenly spread through all the departments of the State service being due to the grant of war allowance at increased rates with effect from 1st Meenom 1121 to Government servants in the lower ranks, as also to the extension of the scope of the scheme of war allowance so as to include also the higher officers in service. The increase in the rate of the temporary increase in the pensions of small scale pensioners also partly accounts for the general increase of expenditure.

Before leaving the expenditure side of the revised estimates, I may inform the House that, in aid of the grow-more-food campaign, arrangements have been made for providing Lift Irrigation, facilities for cultivating 5000 acres of land at Avanamcode near Alwaye. It is hoped that the facilities will be made available before the close of the year.

As the net result of the several variations between the budget and the revised estimates, the current year is, as already stated, expected to close with a revenue surplus of Rs 135·84 lakhs,

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[Mr. S. Narayana Aiyar.]

as against Rs 49·32 lakhs anticipated in the budget estimates. Fully aware as the Government are that this substantial increase in the revenue surplus is to a large extent the result of the operation of special circumstances connected directly or indirectly with the war conditions, they propose to transfer the entire surplus to the Revenue Reserve Fund (Rs 5 lakhs) and to the Post-war Reconstruction Fund (Rs. 130·84 lakhs) to be drawn upon only for financing schemes of public utility and reconstruction measures. With the unexpended balance of the allotment ear-marked in the current year's budget for Post-war Reconstruction Schemes added to the corpus of the fund, it is hoped that the fund will have at its credit a sum of Rs 534·19 lakhs at the close of this year.

6. On account of the difficulty in getting the necessary machinery etc., our capital programme for the current year which was expected to work up to Rs 87·91 lakhs is actually expected to stand only at Rs 61·51 lakhs. The bulk of the anticipated reduction in expenditure is under Electricity and Telephone and State Transport.

BUDGET ESTIMATES—1122.

7. I shall now pass on to a consideration of the Budget Estimates for the ensuing year. The total revenue for the next year is estimated to stand at Rs 820·13 lakhs, which is in excess of the revised estimates for the current year by Rs. 109·91 lakhs. The House will, I feel sure, note with genuine pride and satisfaction that this revenue is not far short of the revenues of Mysore and as already stated largely in excess of the revenues of every other State and many of the Provinces in India. Though the increase in revenue anticipated for the ensuing year, as compared with the revised estimates for the current year, is to some extent, evenly distributed among the more important revenue yielding items, the increase is most conspicuous under Forests, Taxes on Income, Excise and Interest. The keen demand in the market for our timber and other forest produce and the contract which the Government have entered into with the Travancore Fertilisers and Chemicals Ltd., for a bulk supply of timber and firewood explain the anticipated increase in our forest revenue. The betterment of revenue under Taxes on Income is due to the great growth of business enterprise as also to assessment of agricultural incomes. Under Excise, the increase is mostly under Abkari. The profitable investment of our surpluses gives us better receipts under interest. Even a cursory perusal

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